

In the Matter of	)	No. G 98 - 44
	)	
The Financial Examination of	)	FINDINGS, CONCLUSIONS,
<b>CONTRACTORS BONDING AND</b>	)	AND ORDER ADOPTING REPORT
<b>INSURANCE COMPANY</b>	)	
A Domestic Insurer.		

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## BACKGROUND

An examination of the financial condition of **CONTRACTORS BONDING AND INSURANCE COMPANY** (the Company) as of December 31, 1996, was conducted by examiners of the Washington state Office of the Insurance Commissioner (OIC). The Company holds a Washington certificate of authority as a stock insurer. This examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

The examination report with the findings, instructions and comments and recommendations was transmitted to the Company for its comments on July 15, 1998.

The Commissioner or a designee has considered the report, the relevant portions of the examiners' work papers, and submissions by the Company.

Subject to the right of the Company to demand a hearing pursuant to Chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

## FINDINGS

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 1 through 23 of the report.

## CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the financial examination of **CONTRACTORS BONDING AND INSURANCE COMPANY**.

## ORDER

The examination report as filed, attached hereto as Exhibit A, and incorporated by reference, is hereby ADOPTED as the final examination report.

The Company is ordered as follows, these being the Instructions and Recommendations contained in the examination report on pages 3 and 4:

1. The Company is instructed to calculate and record in Schedule P of its annual statement, appropriate amounts for Unallocated Loss Expenses Unpaid.
2. It is recommended that the Company submit to the Board annually its list of authorized check signers for review and approval, as noted in Recommendation 1 of the examination report.
3. It is recommended that the Company's Operations Manager prepare a tape of checks received in the mail and record the total in a Daily Log, as noted in Recommendation 2 of the examination report.
4. It is recommended that the Company's officers submit signed Conflict of Interest Statements annually, as noted in Recommendation 3 of the examination report.
5. It is recommended that the Company annually review and update all employee access levels to ensure appropriate access for current job responsibilities, as noted in Recommendation 4 of the examination report.

ENTERED at Lacey, Washington, this 30th day of September, 1998.

DEBORAH SENN  
Insurance Commissioner

By:

JAMES T. ODIORNE, CPA, JD  
Deputy Insurance Commissioner  
Company Supervision Division